

Bill No. SB 856

Barcode 832754

Proposed Committee Substitute by the Committee on Commerce

1                               A bill to be entitled  
2           An act relating to super enterprise zones;  
3           amending s. 212.02, F.S.; providing a  
4           definition; providing for future repeal;  
5           amending s. 212.08, F.S.; exempting certain  
6           property purchased for use or consumption by  
7           businesses in a super enterprise zone and  
8           retail sales by certified businesses in a super  
9           enterprise zone; providing an exception;  
10          specifying time periods for application of the  
11          exemptions for certain businesses; providing  
12          for future repeal; amending s. 290.0056, F.S.;  
13          providing additional responsibilities of an  
14          enterprise zone development agency relating to  
15          super enterprise zones; requiring an economic  
16          impact report; providing for future repeal;  
17          amending s. 290.0057, F.S.; applying  
18          requirements for an enterprise zone development  
19          plan to super enterprise zones; providing for  
20          future deletion of application; creating s.  
21          290.006981, F.S.; authorizing the Office of  
22          Tourism, Trade, and Economic Development to  
23          designate a certain area as a super enterprise  
24          zone for a certain time period; providing  
25          qualification and eligibility criteria;  
26          providing application requirements; providing  
27          for future repeal and revocation of  
28          designations; creating s. 290.00682, F.S.;  
29          providing requirements for qualification as a  
30          certified business for sales tax exemption  
31          purposes; authorizing a local enterprise zone

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1 development agency to certify businesses;  
2 requiring the agency to provide lists of  
3 certified businesses; providing for  
4 disqualifying certified businesses under  
5 certain circumstances; providing for future  
6 repeal and revocation of certifications;  
7 amending s. 290.007, F.S.; specifying  
8 incentives for revitalization of super  
9 enterprise zones; providing for future deletion  
10 of such incentives; requiring interim and final  
11 reviews of super enterprise zones by the Office  
12 of Program Policy Analysis and Government  
13 Accountability; providing review of criteria;  
14 requiring reports to the Legislature; providing  
15 effective dates.

16  
17 Be It Enacted by the Legislature of the State of Florida:

18  
19 Section 1. Subsection (34) is added to section 212.02,  
20 Florida Statutes, to read:

21 212.02 Definitions.--The following terms and phrases  
22 when used in this chapter have the meanings ascribed to them  
23 in this section, except where the context clearly indicates a  
24 different meaning:

25 (34) "Certified business" means a business located in  
26 a super enterprise zone that is certified under s. 290.00682.  
27 This subsection is repealed June 30, 2020.

28 Section 2. Subsection (19) is added to section 212.08,  
29 Florida Statutes, to read:

30 212.08 Sales, rental, use, consumption, distribution,  
31 and storage tax; specified exemptions.--The sale at retail,

the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(19) EXEMPTIONS; SUPER ENTERPRISE ZONES.--

(a) The tax imposed by this chapter does not apply to:

1. Tangible personal property purchased by certified businesses for the exclusive use or consumption of such businesses within a super enterprise zone; or

2. Retail sales of tangible personal property made by a certified business from a place of business owned or leased and operated by the business for the purpose of making retail sales and located in a designated super enterprise zone. The exemption provided by this subparagraph does not apply to the retail sale of any item with a price greater than \$1,000. To qualify for the exemption under this subparagraph, the purchaser must take possession of the qualified items within the super enterprise zone or the qualified items must be shipped from inside the super enterprise zone; however, the items may be shipped to any location. For the purposes of this subsection, all qualified sales that are shipped from within the super enterprise zone by a certified business shall be considered to have occurred in the super enterprise zone, regardless of where the transfer of title takes place.

(b) Notwithstanding paragraph (a), a new business established in a super enterprise zone and certified on or after July 1, 2008, pursuant to s. 290.00682 is eligible for the exemptions provided under this subsection for a period not to exceed 10 years immediately following such certification. For an existing business located in a super enterprise zone and certified on or after July 1, 2008, the exemptions

provided under this subsection shall be available for a period not to exceed 5 years, beginning in the year in which the business receives its initial certification and continuing for up to 5 years immediately following such certification.

(c) This subsection is repealed June 30, 2020.

Section 3. Paragraph (i) is added to subsection (8) of section 290.0056, Florida Statutes, paragraph (f) of subsection (11) of that section is redesignated as paragraph (g), and a new paragraph (f) is added to that subsection, to read:

290.0056 Enterprise zone development agency.--

(8) The enterprise zone development agency shall have the following powers and responsibilities:

(i)1. To recommend and submit an application to the office for the designation of a super enterprise zone.

2. To coordinate with the local governmental entity for the exemptions from the sales and use tax provided under s. 212.08(19).

This paragraph is repealed June 30, 2020.

(11) Prior to December 1 of each year, the agency shall submit to the Office of Tourism, Trade, and Economic Development a complete and detailed written report setting forth:

(f) The economic impact of a super enterprise zone, if applicable, including:

1. A list of certified businesses and whether the business is new or where the business relocated from.

2. The number of jobs created.

3. The percentage of employees employed by certified businesses who reside in the super enterprise zone or in an

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1 enterprise zone within the same county.

2 4. The extent of capital investment by certified  
3 businesses within the zone.

4 5. The success of the super enterprise zone as  
5 measured by the strategic plan and methods identified in s.  
6 290.0057(1)(i).

7  
8 This paragraph is repealed June 30, 2020.

9 Section 4. Subsection (1) of section 290.0057, Florida  
10 Statutes, is amended to read:

11 290.0057 Enterprise zone development plan.--

12 (1) Any application for designation as a new  
13 enterprise zone or super enterprise zone must be accompanied  
14 by a strategic plan adopted by the governing body of the  
15 municipality or county, or the governing bodies of the county  
16 and one or more municipalities together. At a minimum, the  
17 plan must:

18 (a) Briefly describe the community's goals for  
19 revitalizing the area.

20 (b) Describe the ways in which the community's  
21 approaches to economic development, social and human services,  
22 transportation, housing, community development, public safety,  
23 and educational and environmental concerns will be addressed  
24 in a coordinated fashion, and explain how these linkages  
25 support the community's goals.

26 (c) Identify and describe key community goals and the  
27 barriers that restrict the community from achieving these  
28 goals, including a description of poverty and general  
29 distress, barriers to economic opportunity and development,  
30 and barriers to human development.

31 (d) Describe the process by which the affected

1 community is a full partner in the process of developing and  
2 implementing the plan and the extent to which local  
3 institutions and organizations have contributed to the  
4 planning process.

5 (e) Commit the governing body or bodies to enact and  
6 maintain local fiscal and regulatory incentives, if approval  
7 for the area is received under s. 290.0065. These incentives  
8 may include the municipal public service tax exemption  
9 provided by s. 166.231, the economic development ad valorem  
10 tax exemption provided by s. 196.1995, the occupational  
11 license tax exemption provided by s. 205.054, local impact fee  
12 abatement or reduction, or low-interest or interest-free loans  
13 or grants to businesses to encourage the revitalization of the  
14 nominated area.

15 (f) Identify the amount of local and private resources  
16 that will be available in the nominated area and the  
17 private/public partnerships to be used, which may include  
18 participation by, and cooperation with, universities,  
19 community colleges, small business development centers, black  
20 business investment corporations, certified development  
21 corporations, and other private and public entities.

22 (g) Indicate how state enterprise zone tax incentives  
23 and state, local, and federal resources will be utilized  
24 within the nominated area.

25 (h) Identify the funding requested under any state or  
26 federal program in support of the proposed economic, human,  
27 community, and physical development and related activities.

28 (i) Identify baselines, methods, and benchmarks for  
29 measuring the success of carrying out the strategic plan.

30 Section 5. Effective July 1, 2020, subsection (1) of  
31 section 290.0057, Florida Statutes, as amended by this act, is

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1 amended to read:

2           290.0057 Enterprise zone development plan.--

3           (1) Any application for designation as a new  
4 enterprise zone ~~or super enterprise zone~~ must be accompanied  
5 by a strategic plan adopted by the governing body of the  
6 municipality or county, or the governing bodies of the county  
7 and one or more municipalities together. At a minimum, the  
8 plan must:

9           (a) Briefly describe the community's goals for  
10 revitalizing the area.

11           (b) Describe the ways in which the community's  
12 approaches to economic development, social and human services,  
13 transportation, housing, community development, public safety,  
14 and educational and environmental concerns will be addressed  
15 in a coordinated fashion, and explain how these linkages  
16 support the community's goals.

17           (c) Identify and describe key community goals and the  
18 barriers that restrict the community from achieving these  
19 goals, including a description of poverty and general  
20 distress, barriers to economic opportunity and development,  
21 and barriers to human development.

22           (d) Describe the process by which the affected  
23 community is a full partner in the process of developing and  
24 implementing the plan and the extent to which local  
25 institutions and organizations have contributed to the  
26 planning process.

27           (e) Commit the governing body or bodies to enact and  
28 maintain local fiscal and regulatory incentives, if approval  
29 for the area is received under s. 290.0065. These incentives  
30 may include the municipal public service tax exemption  
31 provided by s. 166.231, the economic development ad valorem

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1 tax exemption provided by s. 196.1995, the occupational  
2 license tax exemption provided by s. 205.054, local impact fee  
3 abatement or reduction, or low-interest or interest-free loans  
4 or grants to businesses to encourage the revitalization of the  
5 nominated area.

6 (f) Identify the amount of local and private resources  
7 that will be available in the nominated area and the  
8 private/public partnerships to be used, which may include  
9 participation by, and cooperation with, universities,  
10 community colleges, small business development centers, black  
11 business investment corporations, certified development  
12 corporations, and other private and public entities.

13 (g) Indicate how state enterprise zone tax incentives  
14 and state, local, and federal resources will be utilized  
15 within the nominated area.

16 (h) Identify the funding requested under any state or  
17 federal program in support of the proposed economic, human,  
18 community, and physical development and related activities.

19 (i) Identify baselines, methods, and benchmarks for  
20 measuring the success of carrying out the strategic plan.

21 Section 6. Sections 290.00681 and 290.00682, Florida  
22 Statutes, are created to read:

23 290.00681 Super enterprise zones; designation;  
24 eligibility.--

25 (1) The Office of Tourism, Trade, and Economic  
26 Development shall designate one area in the state as a super  
27 enterprise zone for a 10-year period. This area shall serve as  
28 a pilot project for this program. Specifically, the area in  
29 Miami-Dade County bordered by Northwest 23rd Street to the  
30 north, Northwest 5th Street to the south, Northeast 1st Avenue  
31 to the east, and Northwest 8th Avenue to the west shall be



designated as a super enterprise zone. To qualify as a super enterprise zone an area shall:

(a) Be located in an enterprise zone and be no larger than 3 contiguous square miles.

(b) Have an average unemployment rate four times greater than the state average.

(c) Have a minimum of 40 percent of residents living below the federal poverty level.

(d) Have general distress of business and residential property such that the local governing body by resolution has determined that the buildings are substandard, unsafe, unsanitary, dilapidated, or obsolete, or any combination of such conditions, and are detrimental to the safety, health, and welfare of the community.

(e) Demonstrate evidence of significant job loss or dislocation in the area.

In determining whether an area suffers from pervasive poverty, unemployment, and general distress, the office shall use data from the most current decennial census, and from information published by the Bureau of the Census and the Bureau of Labor Statistics. The data shall be comparable in point or period of time and methodology employed.

(2) Any application for designation of a super enterprise zone must:

(a) Briefly describe the community's goals for revitalizing the area and include a development plan.

(b) Describe the ways in which the community's approach to economic development, social and human services, transportation, housing, community development, public safety, and educational and environmental concerns will be addressed

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1 in a coordinated fashion and explain how these linkages  
2 support the community's goals.

3 (c) Identify and describe key community goals and the  
4 barriers that restrict the community from achieving these  
5 goals.

6 (d) Identify the amount of local and private support  
7 and resources that will be available.

8 (e) Identify baselines, methods, and benchmarks for  
9 measuring success.

10 (f) Include written approval from any associated  
11 county office and mayor's office.

12 (3) This section is repealed June 30, 2020, and any  
13 designation made pursuant to this section shall be revoked on  
14 that date.

15 290.00682 Super enterprise zones; business  
16 certification.--

17 (1) A certified business is eligible for the tax  
18 exemptions provided in s. 212.08(19). To qualify as a  
19 certified business, receive an exemption certificate, and  
20 continue to receive the tax exemptions provided in s.  
21 212.08(19), a business must:

22 (a) File an application for certification with the  
23 local enterprise zone development agency. The application  
24 shall be filed no later than September 1 preceding the  
25 calendar year for which the business is seeking an exemption.

26 (b) Operate and be located within a designated super  
27 enterprise zone.

28 (c) Create new employment within the super enterprise  
29 zone while not causing unemployment elsewhere in the state.

30 (d) Certify to the best of the business' knowledge  
31 that the business has no delinquent federal or state tax

1 obligations.

2 (e) Demonstrate that no less than 20 percent of its  
 3 employees are residents of the designated super enterprise  
 4 zone or an enterprise zone located within the same county. The  
 5 employment requirement may be waived by the local enterprise  
 6 zone development agency for good cause.

7 (2) A local enterprise zone development agency may  
 8 certify a business as eligible for the exemptions under s.  
 9 212.08(19) annually if the business meets the requirements in  
 10 subsection (1). Each local enterprise zone development agency  
 11 shall annually provide the local governmental entity, the  
 12 office, and the Department of Revenue with a list of new and  
 13 existing certified businesses. The Department of Revenue shall  
 14 annually issue a tax exemption certificate to each business  
 15 holding an exemption certificate issued by the local  
 16 enterprise zone development agency. The certificate shall be  
 17 good for one calendar year.

18 (3) A local enterprise zone development agency may  
 19 disqualify a certified business at any time if the business  
 20 fails to meet the requirements of subsection (1). A business  
 21 that makes a fraudulent claim under this section or for tax  
 22 exemptions provided in s. 212.08(19), shall be liable for the  
 23 payment of the tax due, together with the penalties set forth  
 24 in s. 212.085, and as otherwise provided by law.

25 (4) This section is repealed June 30, 2020, and any  
 26 certification made pursuant to this section shall be revoked  
 27 on that date.

28 Section 7. Section 290.007, Florida Statutes, is  
 29 amended to read:

30 290.007 State incentives available in enterprise zones  
 31 and super enterprise zones.--

1        (1) The following incentives are provided by the state  
2 to encourage the revitalization of enterprise zones:

3        (a)~~(1)~~ The enterprise zone jobs credit provided in s.  
4 220.181.

5        (b)~~(2)~~ The enterprise zone property tax credit  
6 provided in s. 220.182.

7        (c)~~(3)~~ The community contribution tax credits provided  
8 in ss. 212.08, 220.183, and 624.5105.

9        (d)~~(4)~~ The sales tax exemption for building materials  
10 used in the rehabilitation of real property in enterprise  
11 zones provided in s. 212.08(5)(g).

12        (e)~~(5)~~ The sales tax exemption for business equipment  
13 used in an enterprise zone provided in s. 212.08(5)(h).

14        (f)~~(6)~~ The sales tax exemption for electrical energy  
15 used in an enterprise zone provided in s. 212.08(15).

16        (g)~~(7)~~ The enterprise zone jobs credit against the  
17 sales tax provided in s. 212.096.

18        (h)~~(8)~~ Notwithstanding any law to the contrary, the  
19 Public Service Commission may allow public utilities and  
20 telecommunications companies to grant discounts of up to 50  
21 percent on tariffed rates for services to small businesses  
22 located in an enterprise zone designated pursuant to s.  
23 290.0065. Such discounts may be granted for a period not to  
24 exceed 5 years. For purposes of this paragraph ~~subsection~~, the  
25 term "public utility" has the same meaning as in s. 366.02(1)  
26 and the term "telecommunications company" has the same meaning  
27 as in s. 364.02(14).

28        (2) the following incentives are provided by the state  
29 to encourage the revitalization of super enterprise zones:

30        (a) The sales tax exemption for certified businesses  
31 provided in s. 212.08(19)(a)1.

(b) the sales tax exemption for retail sales by  
certified businesses provided in s. 212.08(19)(a)2.

Section 8. Effective July 1, 2020, section 290.007,  
Florida Statutes, as amended by this act, is amended to read:

290.007 State incentives available in enterprise zones  
~~and super enterprise zones.--~~

~~(1)~~ The following incentives are provided by the state  
to encourage the revitalization of enterprise zones:

(1)~~(a)~~ The enterprise zone jobs credit provided in s.  
220.181.

(2)~~(b)~~ The enterprise zone property tax credit  
provided in s. 220.182.

(3)~~(c)~~ The community contribution tax credits provided  
in ss. 212.08, 220.183, and 624.5105.

(4)~~(d)~~ The sales tax exemption for building materials  
used in the rehabilitation of real property in enterprise  
zones provided in s. 212.08(5)(g).

(5)~~(e)~~ The sales tax exemption for business equipment  
used in an enterprise zone provided in s. 212.08(5)(h).

(6)~~(f)~~ The sales tax exemption for electrical energy  
used in an enterprise zone provided in s. 212.08(15).

(7)~~(g)~~ The enterprise zone jobs credit against the  
sales tax provided in s. 212.096.

(8)~~(h)~~ Notwithstanding any law to the contrary, the  
Public Service Commission may allow public utilities and  
telecommunications companies to grant discounts of up to 50  
percent on tariffed rates for services to small businesses  
located in an enterprise zone designated pursuant to s.

290.0065. Such discounts may be granted for a period not to  
exceed 5 years. For purposes of this subsection, the term  
"public utility" has the same meaning as in s. 366.02(1) and

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1 the term "telecommunications company" has the same meaning as  
2 in s. 364.02(14).

3 ~~(2) The following incentives are provided by the state~~  
4 ~~to encourage the revitalization of super enterprise zones:~~

5 ~~(a) the sales tax exemption for certified businesses~~  
6 ~~provided in s. 212.08(19)(a)1.~~

7 ~~(b) the partial sales tax exemption for retail sales~~  
8 ~~by certified businesses provided in s. 212.08(19)(a)2.~~

9 Section 9. Prior to the 2014 Regular Session of the  
10 Legislature, the Office of Program Policy Analysis and  
11 Government Accountability shall conduct an interim review and  
12 evaluation of the effectiveness and viability of the super  
13 enterprise zone created under s. 290.00681, Florida Statutes.  
14 The office shall specifically evaluate whether relief from the  
15 specified taxes caused or induced new investment and  
16 development in the super enterprise zone; increased the number  
17 of jobs created or retained in the super enterprise zone;  
18 caused or induced the renovation, rehabilitation, restoration,  
19 improvement, or new construction of businesses or housing  
20 within the super enterprise zone; or contributed to the  
21 economic viability and profitability of business and commerce  
22 located within the super enterprise zone. The office shall  
23 submit a report of its findings and recommendations to the  
24 President of the Senate and the Speaker of the House of  
25 Representatives no later than December 1, 2013. In 2019, the  
26 office shall conduct a final review in accordance with this  
27 section and shall make a final report to the President of the  
28 Senate and the Speaker of the House of Representatives no  
29 later than December 1, 2019.

30 Section 10. Except as otherwise expressly provided in  
31 this act, this act shall take effect July 1, 2007.